

Collector of Central Excise Vs. Unique Sugar Ltd.

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Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Delhi

Decided On : Sep-28-1998

Reported in : (1999)(107)ELT52TriDel

Appellant : Collector of Central Excise

Respondent : Unique Sugar Ltd.

Judgement :

1. The short point to be considered in this appeal is whether cleaning and maintenance charges w.r.t. the durable and returnable packing are to be included for the purpose of abatement from the value of excisable goods. When the matter was called None appeared on behalf of the respondents. However, in the cross-objections it was submitted by them that the issue involved in this case has been covered by a decision of the Tribunal in the case of Century Spinning and Weaving Mfg. Co. Ltd. 1988 (37) E.L.T. 524 and Real Drinks Pvt. Ltd. v. C.C.E. 1991 (54) E.L.T. 436.

2. Shri K. Srivastava, Id. SDR submitted that the Collector (A) has erred in extending the benefit of Notification 313/77 to the cleaning and maintenance charges. He said that the said notification exempts only packing materials and not to these charges.

3. We have carefully considered the matter. We find that the charges itself cannot be included in the assessable value in view of the decisions of the Tribunal and the view taken by the Tribunal has been upheld by the Supreme Court in the case

of Vijaywada Bottling Co. Ltd. v. C.C.E., Guntur 1997 (94) E.L.T. 433. In that case it was clearly held that "services utilised for unloading, brandwise sorting of broken bottles, sorting and cleaning and examination of bottles not includible in the assessable value of the aerated water since such activity relate to preparing the bottles for bottling and cannot be treated as part of manufacturing process of aerated water." In view of this, we hold that the cleaning and maintenance charges w.r.t. the packing material cannot be included in the assessable value. In view of this position, we do not feel it necessary to go into the other issues. Accordingly, appeal is dismissed. Cross-objection is disposed of in the above terms.

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